

Our product diversification has been matched by geographic diversification. Dominant in the second-largest and most concentrated Hispanic market in the country for the last 10 of the Company's 32 years in business, Doral Financial took its successful business model to New York City in 1999 with Doral Bank, FSB, (Doral Bank-New York) an FDIC-insured savings bank.

Doral Bank-New York has six branches with plans to open new locations in 2005. Our ability to fully understand diverse communities, cultures and backgrounds, while offering one-stop centers to meet our customers' financial needs, has made Doral the bank of choice for multicultural customers at the heart of the Big Apple, including Hispanics, Chinese, Greeks, Italians and Russians.

Multifamily and other real-estate secured lending in the country's largest city presents significant opportunities for our subsidiaries, Doral Bank-New York and Doral Money. We are also expanding our multicultural lending team to increase our market share in areas that have been underserved for many years.

To further expand our product lines in Puerto Rico, we launched Doral Leasing, engaged in the auto and equipment finance leasing business, which is already surpassing expectations. Additionally, Doral Insurance, in its fourth year of operation, has been able to capitalize on the natural synergies provided by Doral Financial's expanding growth and market dominance. Doral Insurance continues to provide a significant source of fee income, while steadily expanding product lines to offer a broader range of insurance coverage. Through targeted cross-selling, Doral Insurance has been able to capture approximately 90% of the business related to mortgage lending via products such as dwelling, title and flood insurance. Doral Insurance is now

targeting the growing insurance needs of our commercial bank clients.

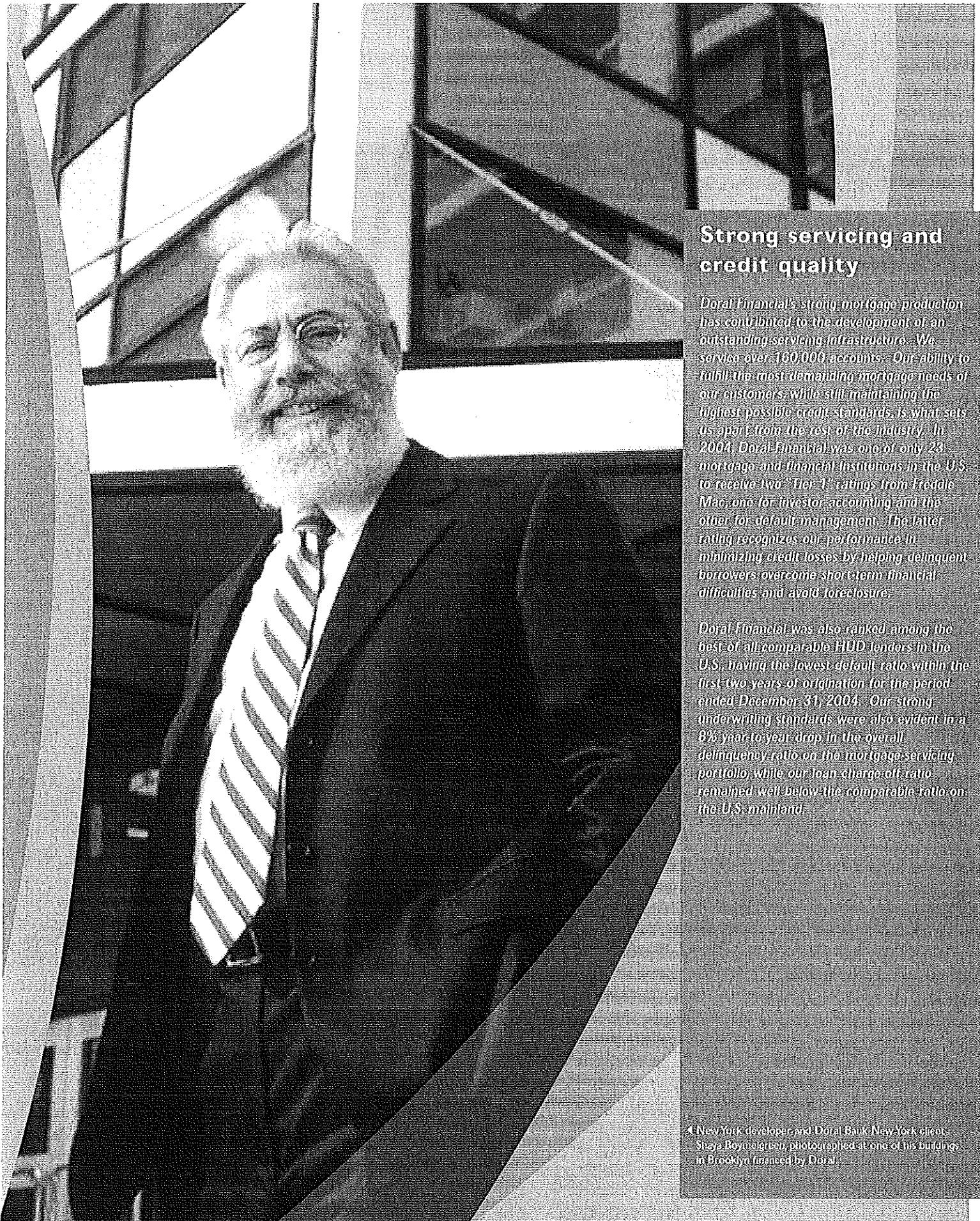
The contribution of our non-mortgage banking subsidiaries climbed to 40.8% of consolidated net income, while their contribution to the Company's consolidated commission and fee income increased to 85.6%.

A thriving Hispanic market

With assets of \$11.2 billion, Doral Bank-Puerto Rico has secured its leadership position among the top four banks on the island. With a network of 40 branches and as many as eight others slated to open in 2005, Doral Bank-Puerto Rico continues to gain market share with the opening of Doral Financial Centers, one-stop-shop financial service branches, where we combine several of our brands under one roof. The financial centers offer a wide variety of products, including loan and deposit services from Doral Bank, residential mortgage loans from one of Doral Financial's mortgage banking units, insurance from Doral Insurance and investment products through our alliance with UBS Financial Services.

While we continue to grow in retail and commercial banking and lending, mortgage banking remains Doral Financial's core business in Puerto Rico, where we have a dominant market position and have remained the leader in the field for more than 20 years.

Doral Financial's four mortgage origination units, HF Mortgage Bankers, Doral Mortgage Corporation, SANA Mortgage Corporation and Centro Hipotecario de Puerto Rico, Inc. cater to a range of market niches in an environment where housing demand continues to exceed supply. This segmented approach has been key to our unprecedented market penetration and



Strong servicing and credit quality

Doral Financial's strong mortgage production has contributed to the development of an outstanding servicing infrastructure. We service over 160,000 accounts. Our ability to fulfill the most demanding mortgage needs of our customers while still maintaining the highest possible credit standards is what sets us apart from the rest of the industry. In 2004, Doral Financial was one of only 24 mortgage and financial institutions in the U.S. to receive two "Tier 1" ratings from Freddie Mac, one for investor accounting and the other for default management. The latter rating recognizes our performance in minimizing credit losses by helping delinquent borrowers overcome short-term financial difficulties and avoid foreclosure.

Doral Financial was also ranked among the best of all comparable HUD lenders in the U.S., having the lowest default ratio within the first two years of origination for the period ended December 31, 2004. Our strong underwriting standards were also evident in a 8% year-to-year drop in the overall delinquency ratio on the mortgage servicing portfolio, while our loan charge-off ratio remained well below the comparable ratio on the U.S. mainland.

New York developer and Doral Bank New York client, Shaya Roynelgreen, photographed at one of its buildings in Brooklyn financed by Doral.

performance, allowing us to develop tailored products and provide exceptional service to customers from a variety of markets.

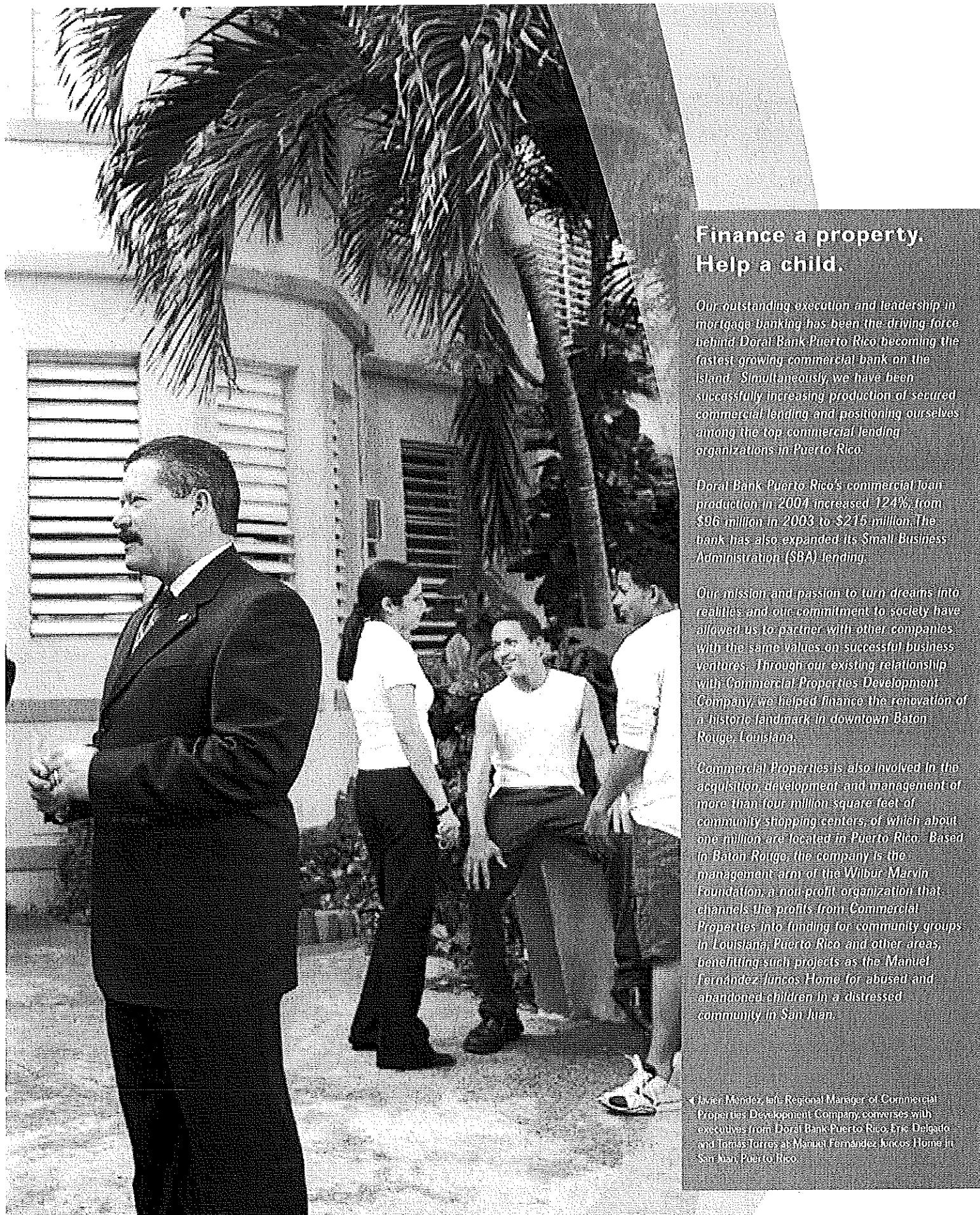
HF Mortgage Bankers continues to dominate as the leading provider of permanent mortgage financing for new housing developments in Puerto Rico, including low-income and government-sponsored housing. This year, HF Mortgage Bankers consolidated operations in a new headquarters building at the heart of Puerto Rico's financial district, a move that is enhancing productivity, communication among departments, and efficiency. The new headquarters building, multi-level parking facility and valet parking service are further facilitating customer access and speeding business transactions, enriching the customer's experience.

Doral Mortgage Corporation's market penetration continues to be unparalleled. Through aggressive marketing, extended hours and fast turnaround, this subsidiary has been able to maintain its outstanding performance throughout the years. Doral Mortgage Corporation offers a wide range of real estate-secured loans, including FHA/VA, conforming and non-conforming loans, which are in high demand for local investors and provide Doral Financial with an attractive yield during the period they are held prior to sale.

SANA Mortgage Corporation specializes in mortgage lending for affordable housing, and its future expansion will allow for further market penetration in moderate- to low-income areas.

Through its strong relationship with real estate brokers and personal clients, Centro Hipotecario has been able to create a strong referral business with low overhead that has fueled its continuous growth. Direct involvement of its top management and personalized service characterize this operation.





**Finance a property.
Help a child.**

Our outstanding execution and leadership in mortgage banking has been the driving force behind Doral Bank Puerto Rico becoming the fastest growing commercial bank on the Island. Simultaneously, we have been successfully increasing production of secured commercial lending and positioning ourselves among the top commercial lending organizations in Puerto Rico.

Doral Bank Puerto Rico's commercial loan production in 2004 increased 12.1% from \$96 million in 2003 to \$275 million. The bank has also expanded its Small Business Administration (SBA) lending.

Our mission and passion to turn dreams into realities and our commitment to society have allowed us to partner with other companies with the same values on successful business ventures. Through our existing relationship with Commercial Properties Development Company, we helped finance the renovation of a historic landmark in downtown Baton Rouge, Louisiana.

Commercial Properties is also involved in the acquisition, development and management of more than four million square feet of community shopping centers, of which about one million are located in Puerto Rico. Based in Baton Rouge, the company is the management arm of the Wilbur Marvin Foundation, a non-profit organization that channels the profits from Commercial Properties into funding for community groups in Louisiana, Puerto Rico and other areas, benefiting such projects as the Manuel Fernandez Juncos Home for abused and abandoned children in a distressed community in San Juan.

Javier Mendez, left, Regional Manager of Commercial Properties Development Company, converses with executives from Doral Bank Puerto Rico Eric Delgado and Tomas Torres at Manuel Fernandez Juncos Home in San Juan, Puerto Rico.

Service with a Human Touch

Service is what Doral Financial is all about. We treat people as friends and neighbors, not just account numbers. That personalized approach has become our trademark.

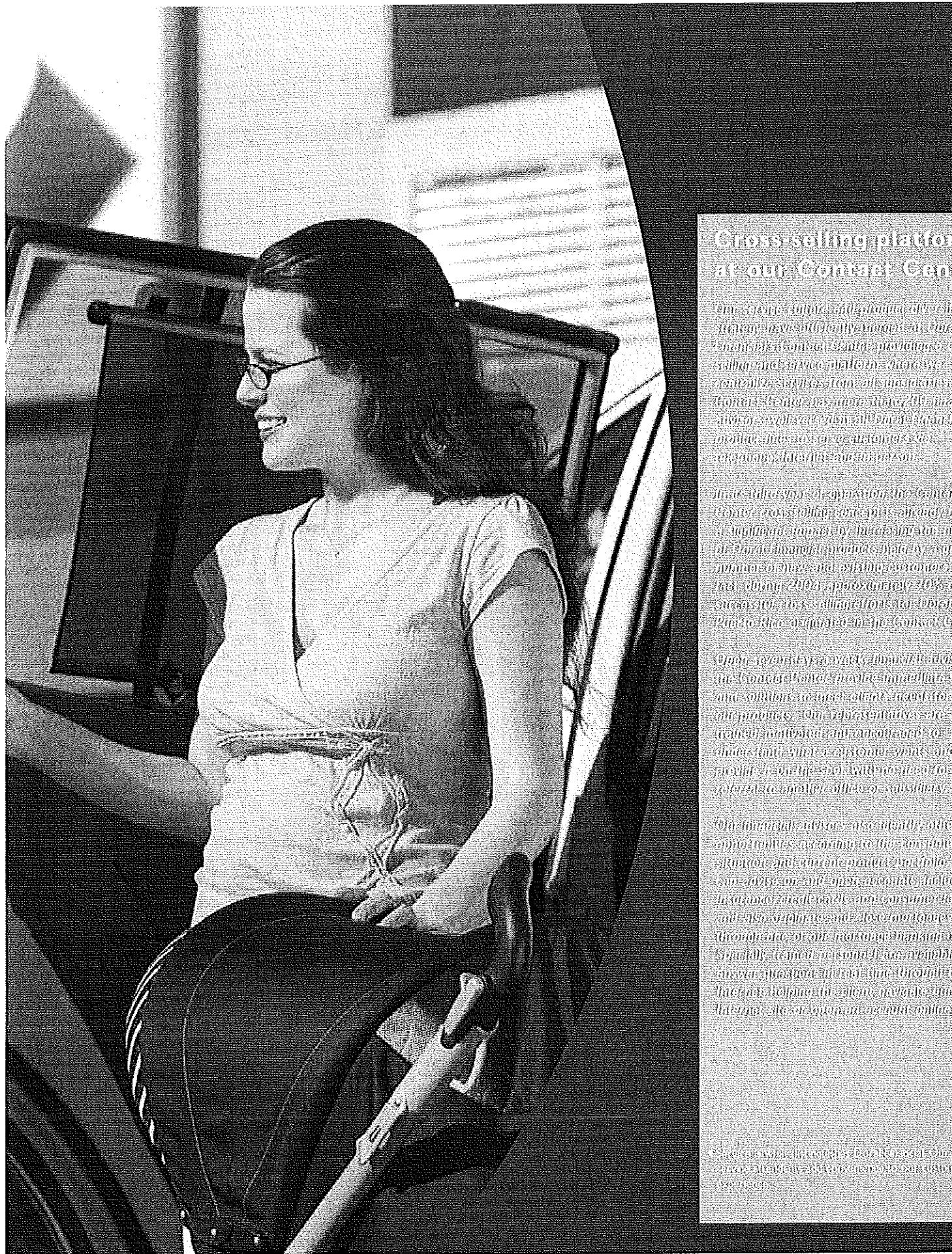
The same customer service that set Doral Financial apart when the business began more than 30 years ago has been instilled throughout today's entire operation. Since then, we have experienced significant growth without losing sight of our mission to provide the best possible service.

We stop at nothing to serve each customer to the fullest. Service is recognized as the backbone of our corporate culture.

A 2004 Gallup survey found Doral Bank-Puerto Rico to be above the 90th percentile of its customer service database. "Doral Bank's impressive financial results are supported by the bank's ability to engage its customers," the Gallup Organization wrote in its report. "Doral Bank's main driver of customer engagement is the friendliness of its employees. This is significant because customers place 'the human factor' as the most important factor in their relationship with the bank," the report continues.

While the study covered Doral Bank, the same philosophy permeates the entire company. Many of our branches are located in underserved markets, including growing communities in Puerto Rico and multicultural





Customer service performance in 2003 (September - December)

Our service improved during the year, mainly due to significant improvements in our customer service standards across all areas of the business. In particular, our staff have been working hard to improve the quality of our customers' experience, particularly in the call centres.

We have also continued to expand the Customer Care service offering, particularly after launching a telephone service by increasing the number of our telephone outlets from 1,170,000 in 2002 to 1,200,000 in 2003. In addition, our telephone sales and call-back services, which started during 2002, now account for 30% of all successful access applications to our local bank branches. Plus, our telephone Contact Centre

Call Centre has now become a key advisor to the Contact Centre, providing immediate service and solutions to most basic inquiries 24 hours per day. Our representatives are trained to handle a wide range of customer needs and to provide a fast and efficient service, referred to as 'first offer resolution'.

The financial advisor role is also the other important function within the Contact Centre, and our contact centre managers play an active role in this operation. Individual insurance agents and small companies can also obtain advice and close relationships through our own local branch units. Specifically, regional financial advisors are available to assist with the sale of local and throughout the United Kingdom. In addition, we have an online banking site, www.santander.com, which provides a secure environment for our customers to access their accounts.

neighborhoods in New York, where our experienced staff can service our customers in the language of their preference.

The human quality of the Company's service culture is an integral part of the design of our Doral Financial Centers. These one-stop branches make interaction with the service representatives at our subsidiaries, including mortgage, retail banking and insurance, as easy as possible.

The open architecture of our branches, with a central information area surrounded by customer service representatives and a glass-walled branch manager's office, provides for transparency of space, easy communication and teamwork. Valet parking attendants park customers' vehicles, assist in drive-thru transactions and help the disabled or customers with children.

We have placed two sets of greeters in our branches. The first opens doors, offers refreshments, and welcomes customers by directing them to our comfortable customer lounges, where plasma television screens provide news programming or soothing music and images for a relaxing experience. The second greeter identifies customers' specific needs and is trained to provide instant help or direct them to the correct associate.

In another break from traditional banking, our branches have extended hours – seven days a

week in some areas – to accommodate customer schedules.

For us, one of the most valuable things we can do to enhance the customer's experience is actually quite simple. We listen. Suggestion boxes are found in all our branches, and customer satisfaction surveys are completed after each mortgage closing. Senior management make themselves accessible to the public.

Great ideas also come from Doral Financial employees. We are currently redesigning our customer restrooms and installing diaper-changing stations because of an idea submitted by an employee. Employees whose ideas are implemented receive special rewards.

Our personalized service goes beyond the human touch. We are in the process of revamping our information systems to ensure that we remain on the cutting edge of technology, something we did in 2004 by improving our mortgage loan servicing operations systems.

We already pre-qualify loans instantly through our Internet sites, provide real-time chat rooms to answer questions and recommend products according to customer needs based on the information they themselves input. New enhancements will allow customers to monitor every step of their online loan processes.

八八一ノミナム

首華銀行

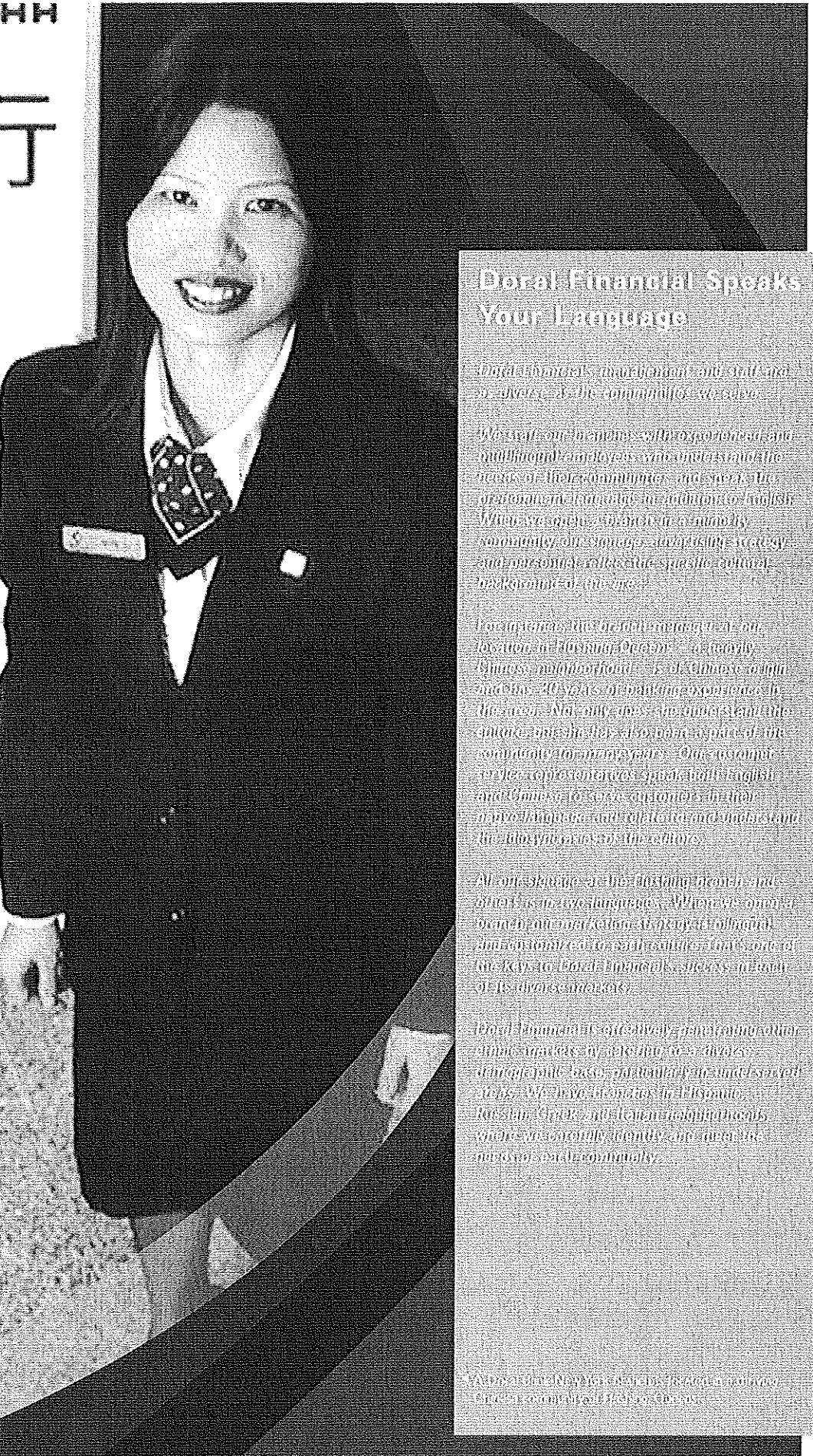
為您服務
是本行的
首要宗旨



DORAL BANK

The People's Banking Group

道華銀行



Doral Financial Speaks

You, I, Everyone

individuals, independent individuals and groups in the community we serve.

We want our members will experience a sense of mutual trust and a sense of belonging in the banks of their communities and understand the importance of banking in addition to high quality services provided by highly-skilled, community-oriented and adaptive to a changing and dynamic financial service industry culture.

Consequently, the credit informed on location and timing. Over time, it is clearly evident, individuals and families will change and the "old ways" of banking no longer apply. We see the need to understand and meet the needs of today's society. Our commitment to our members, their families, employees and customers is to serve customers in their native language and relate to them individually and follow up on their needs.

Understanding the needs of individuals and families is the cornerstone of this organization. We believe that through education and training, our members will be successful in their personal financial success in each of its branches.

Doral Financial continually emphasizes education, training and development of its members. We have members in all areas of the financial industry, including banking, insurance, securities, investment management, and general commerce.

For more information about Doral Financial, visit us online at www.doralbank.com.